SUNSOLUTIONS CONSULTING

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News Break

January 31, 2013

# UPDATE ON CY 2013 $3700 THRESHOLD MANUAL MEDICAL REVIEW PROCESS

## Background

The Middle Class Tax Relief and Job Creation Act of 2012 mandated that the Centers for Medicare and Medicaid (CMS) begin in October of 2012 to implement a manual medical review process for Medicare Part B therapy claims at or above a $3700 threshold. CMS implemented a phased-in process that included a pre-approval component and a pre-payment review component. On December 26, 2012, CMS and its contractors announced that pre-approval requests would not be processed after December 17, 2012.

At the beginning of 2013, the American Taxpayer Relief Act was signed into law. This law included provisions for extension of the Medicare Part B therapy cap exceptions process and extension of the $3700 therapy threshold Manual Medical Review (MMR) requirement through December 31, 2013.

## Impact

Accrual of dollars toward the Medicare Part B therapy caps and thresholds re-started on January 1, 2013.

- For CY 2013, the cap is $1900 for PT and SLP combined, and $1900 for OT separately.
- For CY 2013, the threshold is $3700 for PT and SLP combined, and $3700 for OT separately.

At this point, the Manual Medical Review process is continuing through the pre-payment review process. The pre-approval process for services over the thresholds is not in effect until such time that further instruction is provided by CMS and/or the MACs.

Therapy and nursing staff should continue to provide and document skilled, medically necessary therapy evaluations and treatment.

**ANY THERAPY PRE-APPROVAL REQUEST ON OR AFTER DECEMBER 17, 2012 WILL NOT BE APPROVED OR DISAPPROVED.**

**Issued: January 02, 2013**

Any therapy pre-approval requests received on or after December 17, 2012 will not be approved or disapproved. Claims associated with these requests will be subject to prepayment or post payment review. This is necessary and appropriate to allow 10 business days to approve requests. Requests received on or after December 17, 2012 would otherwise extend past December 31, 2012 (where there are no exception requests since a new cap starts on January 1, 2013).

Physical therapy services subject to manual medical review based on established criteria, billed between October 1, 2012 and December 31, 2012, for which a pre-approval request was not submitted, or for which a pre-approval request was submitted on or after December 17, 2012, will generate an Additional Documentation Request (ADR) once the claim is received.

Providers will need to submit the requested information within the established timeframe per the ADR and the services will then be manually medically reviewed. Providers will not receive a letter approving or disapproving a set number of visits, as the pre-approval request period has ended. All manual medical reviews for therapy services rendered between October 1, 2012 and December 31, 2012 will be based on actual claims and subsequent ADR submissions. Provider claims will be paid or not paid based on manual medical review of the ADR submission.

SNF Therapy Payments Research: New CMS Webpage Seeks Comments (1/13)

Since 1998, Medicare has paid for services provided by skilled nursing facilities (SNFs) under the Medicare Part A benefit on a per diem basis through the skilled nursing facility prospective payment system (SNF PPS). Currently, the therapy payment rate component of the SNF PPS is based solely on the amount of therapy provided to a patient, regardless of the specific patient characteristics and care needs. CMS has contracted with Acumen, LLC and the Brookings Institution to identify potential alternatives to the existing methodology used to pay for therapy services under the SNF PPS. Below, we will post information about this project as it progresses.

**Visit the new CMS webpage to learn more: http://www.cms.gov/**

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